ERIC P. NEWMAN NUMISMATIC EDUCATION SOCIETY

6450 Cecil Avenue, St. Louis, Missouri 63105

Larry D. McNabb
P.O. Box 2443
Fort Riley, KS 66442-0443

February 11, 1998

Dear Mr. McNabb:

Your article on the Terre Haute, Alton & St. Louis Railroad bearer notes was most stimulating. You asked for comment.

What evidence do you have that there are counterfeit notes? Those without imprinted dates are merely for fill in for future dates.

The vice president is James A. Rayner as shown clearly on one variety of the notes. It is not Ray.

There is no known $20 so don't introduce such a thought.

All the $10 have counters with X and X. Only the $5 have counters of 5 and V.

As far as I know there are only two minor vignettes.

I hope I have been helpful.

Sincerely,

Eric P. Newman

NUMISMATIC RESEARCH GROUP, GMBH

FEBRUARY 20, 1998

Mr. Larry D. McNabb
Post Office Box #2443
Fort Riley, Kansas 66442-0443

Mr. Eric P. Newman
c/o Eric P. Newman Numismatic Education Society
6450 Cecil Avenue
St. Louis, Missouri 63105

Dear Mr. Newman:

I received your kind letter discussing my article on "Terre Haute, Alton and St. Louis" railroad notes, which appeared in the January/February 1998 issue of "Paper Money".

I always enjoy correspondence from a fellow numismatist, and to receive a letter from the founder of a numismatic education society is a special treat. Thank you for providing me with the opportunity to respond to your inquiries.

I have directly observed eight "counterfeits" of the notes discussed in my article. You are correct in inquiring into how I know of these being counterfeits. Two of these notes were submitted to me for authentication by a collector, the other six were evidence I reviewed, which was confiscated by authorities at a manufacturing point. I hope that you agree with me that counterfeiting scarce notes, bonds, or obsoletes, is a sad counterpoint to the usually high level of integrity found in most numismatic dealers.

Interestingly enough, one of the two counterfeit notes that were submitted to me for authentication was a $20.00 "Terre Haute, Alton and St. Louis" railroad note. As you suspect, I was **very** excited to see the note; fortunately I was not excited enough to be careless. A standard chromatography spectrum of the ink used showed the pigments to have an unusually high concentration of mercury. Additionally, the paper used, although appearing genuine (the type used by Hart & Mapother during the time this note series was printed) further close examination showed a heavy oxidant contamination of the pulp. As you have no doubt guessed by now, what happened was the counterfeiter bleached a genuine note (I believe a $5.00) and used a recently produced ink to manufacture the printed portion of the note. The chlorides in the bleach contaminated the paper, and any ink produced prior to 1915 (+ or - a few years) has no measurable mercury contamination (a recent processing contaminant for a few manufacturers of oil based inks). Since the $20.00 submitted for authentication was a counterfeit, I have to remain open to the possibility that an authentic $20.00 was used as a pattern (though by no means is this currently a verifiable fact).

Although I am confident that your research is impeccable, I have four varieties of the $10.00 "Terre Haute, Alton and St. Louis" railroad notes, and although scarce (possibly even rare?), two of these varieties have combination counters of Roman numeral "X" and the standard English numeral "10". The serial numbers (should you desire to use my information as a future reference) are 865, and 986. The "986" is very sloppy, and the ink is quite weak.....were the number to actually be "985" or the less likely "980" I would be unable to argue from an absolute position...the paper of the note was so contaminated with dirt & stains that normal enhancement procedures were worthless. (I'm sure you're familiar with the authentication problems occasionally encountered in this area).

I would again like to thank you for your kindness in allotting time to share your numismatic expertise in a rather esoteric area of paper money collecting. I hope that you enjoy good health, and prosperity; and may you live in interesting times.

SINCERELY:

LARRY D. McNABB
CEO, N.R.G., GMBH

NUMISMATIC RESEARCH GROUP, GMBH

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LARRY D. McNABB
CEO, N.R.G., GMBH

Larry D. McNabb
Numismatic Research Group
P.O. Box 2443
Fort Riley, KS 66442-2443

March 2, 1998

Dear Mr. McNabb:

Thank you for your February 20, 1998 response to our letter as to the Terre Haute notes.

Do you have a photocopy of a false note to send. What you are describing are alterations or forgeries, I believe, not circulating counterfeits. Is this correct ?

If you have found any $10 notes with an arabic number counter I would appreciate a photocopy of each variety. I had seen about one hundred Terre Haute notes and this is new to me. I am glad you found new varieties.

Keep up the good work.

Sincerely,

Eric P. Newman